

ECONOMIC DEVELOPMENT COMMITTEE

DATE: September 12, 2005

CALLED TO ORDER: 5:04 p.m.

ADJOURNED: 5:13 p.m.

ATTENDANCE

ATTENDING MEMBERS

Jackie Nytes, Chair
Patrice Abdullah
Lonnell Conley
Marilyn Pfisterer
Joanne Sanders

ABSENT MEMBERS

Virginia Cain
Isaac Randolph, Jr

AGENDA

PROPOSAL NO. 462, 2005 – amends Special Resolution No. 18, 2005 approving and authorizing certain actions and proceedings with respect to certain proposed economic development bonds.

“Do Pass”

Vote 5-0

ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee of the City-County Council met on Monday, September 12, 2005. Chair Jackie Nytes called the meeting to order at 5:04 p.m. with the following members present: Patrice Abdullallah, Lonnell Conley, Marilyn Pfisterer, and Joanne Sanders. Absent were Virginia Cain and Isaac Randolph, Jr.

PROPOSAL NO. 462, 2005 – amends Special Resolution No. 18, 2005 approving and authorizing certain actions and proceedings with respect to certain proposed economic development bonds.

Chair Nytes explained Proposal 462, 2005 and asked Rod Morgan with Stewart & Irwin if he could provide the Committee with a little background and explanation of why the Committee is looking at the proposal today. Mr. Morgan said that he is here to consider an extension of an inducement resolution for LDG-IND, LLC, which is the development company for the project located on the West side in District 13. The project includes a 256 unit apartment complex at 523 Tomahawk Trail, currently named Tomahawk Village. When the project is completed, it will be known as Cambridge Project Phase II. The project is a two-phase project; the first phase has already been approved with construction and renovation in progress and is also a 250 unit complex. The original inducement resolution was passed by the full Council on March 7, 2005, with an expiration date of October 31st. He said that originally, the State and the Indiana Housing and Community Development Authority had determined that there would be no volume available to do multi-family housing projects. About a month ago, it was determined that there would be \$30 million made available to finance these type of projects. LDG-IND, LLC is trying to take advantage of those additional funds; therefore, the inducement resolution must be extended. The Housing and Community Development Authority will make the decision on the volume availability to the applicants on October 27, 2005. The resolution without the extension does not permit enough time to close the transaction. He said he is here to ask for an extension of the resolution with a new expiration date of December 31, 2005. The volume cap that will be allocated in October must be utilized by the end of 2005. The developer has submitted an application to the Housing and Community Authority; is aware that the bonds, if issued, will not be an obligation of the City of Indianapolis; realizes that there will be no tax revenues utilized to repay the bonds and that the bonds will be paid strictly from the revenue generated at the project; and acknowledges that the project is and will remain on the tax rolls even after acquisition and renovation.

Mr. Morgan said that it is his understanding that the developer has communicated with Councillor Salisbury, who voted for the inducement resolution at the March 7th meeting, and has been in communication with the Neighborhood Association. He said that no one has objected to the project at this point. The Neighborhood Association remains excited about the project and wants it to move forward. Mr. Morgan said that he would attempt to answer any questions that the Committee may have and that there are also representatives from Bond Counsel, Krieg DeVault.

Chair Nytes thanked Mr. Morgan and stated that Councillor Salisbury was notified of today's meeting in case he had any concerns or questions. Councillor Pfisterer asked if there are any substantial differences in the developer's aims or goals in comparison to what the Committee previously reviewed. Mr. Morgan said that the project remains the same and that the developer is seeking bonds not to exceed \$12 million. He said that the number of low income housing remains the same as it was in the original inducement resolution. Councillor Pfisterer said that she agrees that the enhancement of that apartment complex will be a definite benefit to the City.

Chair Nytes asked if the inducement resolution that was passed in March would have dissolved if the State had not decided to come up another \$30 million. Mr. Morgan said that the inducement would have expired on October 31st and that he is not sure if the developer would have come for an extension, but he expects that an extension would have been pursued due to the developer's desire to complete the project. Councillor Abdullah asked if \$30 million dollars is a cap and if other developers will also be applying for some of the money. Mr. Morgan said that it is a competitive process and that more than one developer will be applying. Jim Crawford, Bond Counsel with Krieg DeVault, said that there were three applications filed with the Housing and Community Development Authority requesting \$29.6 billion; therefore, the project should be able to move forward if all the applications are in good form.

Councillor Sanders moved, seconded by Councillor Abdullah, to forward Proposal No. 462, 2005 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

Chair Nytes informed the Committee that David Johnson, President of BioCrossroads, will be presenting an update on BioCrossroads activities and goals at the next Committee meeting scheduled for September 28, 2005.

CONCLUSION

With no further business, and upon motion duly made, the Economic Development Committee of the City-County Council was adjourned at 5:13 p.m.

Respectfully Submitted,

Jackie Nytes, Chair

JN/nsm